

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)	APPLICATION NO. NUSF-92. _____
Service Commission, on its Own)	
Motion, to Administer the Nebraska)	
Universal Service Fund Broadband)	
Program.)	

**PETITION OF UNITED STATES CELLULAR CORPORATION REQUESTING
SUPPORT FROM THE NEBRASKA UNIVERSAL SERVICE FUND
BROADBAND PROGRAM**

Introduction

United States Cellular Corporation (hereinafter referred to as “USCC or U.S Cellular”) by and through its counsel hereby submits this Petition to the Nebraska Public Service Commission (“Commission”) to receive support from the Nebraska Broadband Program (“NEBP”). This Petition is being submitted pursuant to the Order entered in NUSF-92 on January 26, 2016. USCC respectfully files this Petition requesting support to construct six (6) towers that will bring wireless broadband to areas in rural Nebraska that are presently unserved or underserved. These towers comprise four separate projects. One project includes three (3) new towers in Cherry County, while the remaining projects provide for the construction of one (1) tower each to be located near the towns of Wallace, Winnebago and Deshler. These locations are identified on a map attached hereto as *Exhibit 1*. The longitude and latitude coordinates for the proposed towers are confidential and have been noted as such and are included as a part of *Exhibit 1*.

Supportive Information

In support of its Petition, USCC submits the following:

1. ASSOCIATED COMPANIES

The companies associated with this Petition are United States Cellular Corporation, d/b/a U.S. Cellular and its FCC licensed operation entities USCOC Nebraska/Kansas LLC and USCOC of Greater Iowa Inc. which will provide the broadband service to consumers proposed by this Petition. USCC has licensed wireless service operations in 26 states, including Nebraska. USCC has been certified as an Eligible Telecommunications Carrier in Nebraska since 2007. The FCC service area number assigned to USCC is #379019.

The point of contact for this Petition is:

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2. DESCRIPTION OF THE PROPOSED BROADBAND PROJECTS

As stated earlier, USCC's Petition consists of four (4) projects. Each project is separate and can be funded at the Commission's discretion. Three projects propose to construct one new tower that will deliver wireless broadband service near the towns of Wallace, Winnebago and Deshler.

The fourth project proposes to construct three new towers all of which are capable of delivering wireless broadband service in Cherry County. The three towers are part of an integrated project to provide needed service to the County, including the Prairie Club, a golf course that is located 17 miles southwest of Valentine. The Prairie Club has a need for improved wireless service for its operations, as well as public safety, which U.S. Cellular cannot provide without NUSF support. U.S. Cellular is requesting that all three

towers be funded in order to provide coverage to the broadest area of Cherry County as possible without any unnecessary gaps in coverage. In the absence of approval of funding for all of these towers, U.S. Cellular will not proceed with this specific project.

All of the towers are located in such sparsely populated areas they will not be built through the company's normal, business operations. Broadband speeds of at least 4 Mbps on the downlink and 1 Mbps on the uplink will be provided; however, U.S. Cellular has experienced average download speeds of 6-12 Mbps in its construction of new towers elsewhere. The towers will be constructed to meet the IS-856-LTE standard through the use of CDMA2000 EV-DO Rev. A technology.

3. "UNSERVED" AND "UNDERSERVED" ANALYSIS

U.S. Cellular identified "served" areas based on the Commission's criteria of 4 Mbps on the downlink and 1 Mbps on the uplink utilizing the Nebraska Broadband Map, its own network coverage maps, prior NEBP funding maps created by the Commission, as well as public maps from competitors. In addition, U.S. Cellular has heard from consumers where broadband wireless service could be improved. As a result, USCC believes the projects identified herein are underserved and/or unserved.

4. LIST OF CENSUS BLOCKS IN EXCEL FORMAT

Confidential Exhibit 2 indicates the census blocks where broadband will be available via the towers. Due to its length, this exhibit is only being submitted electronically.

5. ESTIMATE OF THE NUMBER OF POTENTIAL NEW BROADBAND SUBSCRIBERS

The number of potential new subscribers is attached hereto as *Confidential Exhibit 3*.

6. DEPLOYMENT SCHEDULE

U.S. Cellular estimates it can construct the towers in approximately 18 to 24 months, excluding unforeseen delays associated with obtaining equipment, weather, environmental issues, licensing and zoning permits. These estimates are based on sound engineering experience, and deployment will occur concurrently where permissible.

Deployment is estimated to occur as follows:

Estimated Deployment Schedule:

Phase 1 – Site acquisition, site preparation and construction. Total time: 32 weeks.

Phase 2 - Determine if augmentation is required from a core switching equipment perspective to support proposed project. If augmentation is required, order and commission new core switching equipment. 16 weeks.

Phase 3 – Upgrade backhaul facilities, commencing immediately upon project approval. 36 weeks.

Phase 4 – Order and install broadband base station equipment, installation and integration with core switching equipment. 25 weeks.

Estimated project completion time frames and milestones are as follows:

<u>Completion Percentage</u>	<u>Description of Milestone</u>	<u>Time Frame</u>
25%	Completion of site acquisition, site preparation, construction, equipment ordering, submission of applications, and completion of network design.	40 weeks
50%	Delivery of all equipment and completion of construction plans.	16 weeks
75%	Receipt of all approvals and commitments of construction; implementation and deployment.	23 weeks
100%	Completion of all installations, optimization, testing and network integration.	25 weeks

7. PROPOSED BUDGET

The proposed budget is included as a part of the aforementioned *Confidential Exhibit 3*.

8. RETAIL PRICING FOR BROADBAND AND BASIC VOICE SERVICES

The current retail pricing for U.S. Cellular's broadband products and basic voice service is attached hereto as *Exhibit 4*. Customers have the option to purchase a wireless modem for use on laptops, but a modem is not required to receive broadband service on wireless phones or tablets. USCC does not charge a subscriber line charge. Pricing information is also available on U.S. Cellular's website at <http://www.uscellular.com>.

9. FINANCIAL QUALIFICATIONS

USCC's latest audited financial statements are attached hereto as *Exhibit 5*. Statements can also be found at <http://www.uscellular.com>.

10. FINANCIAL, TECHNICAL AND MANAGERIAL COMPETENCE

Originally formed as TDS Cellular Communications Company in 1983, the company changed its name to United States Cellular Corporation on January 26, 1984. The company is headquartered in Chicago, Illinois and has approximately 4.8 million customers. The company employs roughly 6,400 full-time associates across its 26-state footprint. U.S. Cellular employs approximately 211 associates and operates 18 company-owned retail locations, and 22 authorized-agent locations in Nebraska. In 2015, U.S. Cellular earned nearly \$4 billion in revenue. The company is traded on the New York Stock exchange under the symbol "USM". USCC's is led by a talented leadership team consisting of the following:

- Kenneth R. Meyers, President and Chief Executive Officer
- Steven T. Campbell, Chief Financial Officer, Treasurer
- Jay Ellison, Executive Vice President – Operations
- Michael S. Irizarry, Ph.D., Executive Vice President and Chief Technology Officer, Engineering and Information Services
- John C. Gockley, Vice President, Legal and Regulatory Affairs

U.S. Cellular commercially launched in Nebraska in 2003. In 2006, U.S. Cellular purchased 106 cell sites, formerly owned by Western Wireless. This opportunity arose when Alltel, now known as Verizon Wireless, purchased Western Wireless and was required to divest certain spectrum in Nebraska. As a result, U.S. Cellular increased its footprint beyond Lincoln and Omaha to serve rural Nebraska. U.S. Cellular has continued to grow and now has 403 towers in Nebraska. U.S. Cellular uses a state-of-the-art mobile switching center in Omaha which has a full power back-up system for redundancy. Field teams are based in Nebraska enabling quick dispatch of personnel if on-site repair is required. U.S. Cellular has won many awards including the “Highest Network Quality Performance Among Wireless Cell Phone Users” from J.D. Power and has been named by the Omaha Chamber of Commerce as a “Best Places to Work”.

11. FINANCIAL MATCH TO MEET PROJECT COMMITMENTS

All of the proposed towers are located in rural areas that are uneconomical to serve. Due to these economic factors, remoteness, and, in some instances, migratory bird path requirements, U.S. Cellular is hereby requesting a waiver to contribute a financial match to fund the Cherry County, Winnebago and Deshler projects. Without a waiver of the 25% matching contribution, these projects will not be built. As allowed by Commission Order NUSF-92, entered January 26, 2016, data demonstrating the projected financial revenue of the Cherry County, Winnebago and Deshler projects has been included as a

part of *Confidential Exhibit 3*. In last year's proceeding, U.S. Cellular filed the Wallace project, which was removed in negotiations, and not ultimately considered for funding. The Wallace area remains underserved and U.S. Cellular is submitting a project for this deserving area in this application. Since the previous application included a 25% funding match for Wallace, U.S. Cellular will honor that commitment in this application.

12. TRUTH AND ACCURACY AFFIDAVIT

An Affidavit attesting to the truth and accuracy of the information herein is attached as *Exhibit 6*.

13. SATISFACTION OF ELIGIBILITY REQUIREMENTS

In further support of its Petition U.S. Cellular states:

- a. USCC offers a voice grade service to customers and commits to continue to do so;
- b. USCC offers access to emergency services throughout its service area and commits to continue to do so;
- c. USCC commits to offering broadband service to all households within the coverage area for at least five (5) years;
- d. USCC commits to provide broadband mapping data to the Commission and its vendors as requested;
- e. USCC commits to use support from the NEBP only for the purposes intended and which have been approved by the Commission;
- f. USCC commits to fulfill all reporting and audit requirements by the Commission related to the NEBP program; and
- g. USCC hereby commits to abide by all applicable Commission rules, regulations and Orders.

Conclusion

Constructing towers at the locations proposed herein would significantly improve public safety, health and economic viability in rural Nebraska in areas where broadband wireless

service is presently inadequate. USCC's Petition meets the criteria and objectives of the NEBP, and furthers the goal of making broadband service available statewide. USCC respectfully requests the Commission enter an Order approving it to receive support for any, or all of the projects described in this Petition.

Respectfully submitted this 31st day of March, 2016.

United States Cellular Corporation

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